

committed at Enron, Tyco, and other companies would not have been prevented if expensing had been the accounting rule of the day.

If, however, companies are forced to expense stock options, most will drop or severely limit employee option plans because of the prospect of taking a huge and misleading charge against their bottom line in accounting statements. And if mandatory expensing is implemented, most stock options plans will likely be taken away from rank-and-file employees and reserved exclusively for top executives. This is already occurring in anticipation of the new FASB rule.

It's ironic that many are calling for the expensing of stock options in order to reign in executive compensation, when expensing stock options would do little to accomplish this. Stock option plans or other forms of lucrative compensation for senior executives will undoubtedly continue to be offered.

Rather, rank-and-file employees would be the ones to lose, because they don't get to negotiate with a Board of Directors for their compensation package. Consider this: Only a small portion of employee held options—about 15 percent—are held by corporate management. 14.6 million American workers (13 percent of private-sector workers nationwide) held stock options in 2002.

Some have also argued that FASB's independence must be protected and accounting standards, like other technical rules, should not be set by Congress. While in general this is the case, there are many occasions when expert bodies fail to fully protect the public interest and it's essential that Congress steps in.

For example, the Securities and Exchange Commission, an independent, expert agency, failed to adequately protect investors and the public from the corporate scandals of recent years: Congress stepped in to enact the reforms of the Sarbanes-Oxley Act.

In this case, FASB has concluded this important rulemaking process without the transparency, deliberation, or justification that Congress and the American public should demand. At the outset of its consideration of the expensing rule, the Board Chairman and other Members announced their positions before a single comment from the public was solicited, proceeded to discourage comments on key questions, and disregarded the overwhelming majority of comments it received. The Board refused to conduct "road tests" of actual valuation models or of the real costs associated with implementing any new standard. They've also refused to respond to recommended alternatives and compromises.

It's not reasonable to dismiss Congress's responsibility in these matters and ignore the serious shortcomings of FASB's rulemaking on a matter with such important and far-reaching consequences for our economy and our global competitiveness.

The Broad-Based Stock Option Plan Transparency Act would simply ensure that the rules are not implemented before the potential impact of mandatory expensing is given full consideration. The bill includes a 3 year moratorium to allow the SEC to study the impact expensing options may have on our economy and on small, entrepreneurial businesses.

Given the radical change the new rules would establish and the potentially devastating impact on employee ownership programs,

Congress has the responsibility to make sure that rules governing stock options are appropriate and implemented responsibly.

Our bill would also enact new disclosure rules for companies who offer stock options. The legislation requires those who offer stock options to disclose additional information to every shareholder and potential investor, including plain-English descriptions of share value dilution, expanded and more prominent disclosure of stock option-related information, and a summary of stock options granted to the five most highly compensated officers.

I urge my Colleagues to support this legislation and protect broad-based employee ownership programs.

RECOGNIZING BRIAN K. PLUM

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 17, 2005

Mr. CANTOR. Mr. Speaker, I rise today to recognize the remarkable contributions of Brian K. Plum to the Page County Republican Committee during his service as chairman and for his service to the Town of Shenandoah in Virginia's Seventh District.

Brian's dedication to grassroots activism is evident by his many years of service to the Page Committee. At a young age, Brian was active in the party and organized the Young Republicans at Page County High School. During his three years as chairman, Brian continued to work tirelessly to organize and grow the committee. In that time, I had the pleasure of observing Brian's commitment and dedication to our party. His strong leadership and common sense have had tremendous effects on the committee, have ensured its success and growth, and quickly allowed him to gain the respect of many established and active members.

Brian's commitment to his community extends beyond his work as chairman. Brian serves as the treasurer for Citizens of Shenandoah and the Shenandoah Community Library. He is also a volunteer with and member of numerous community organizations including the Shenandoah Heritage Center, Lafayette Lodge #137 and the Shriners. Currently, Brian serves the citizens of the Commonwealth of Virginia in the Office of the Attorney General as a Senior Budget Analyst. Brian's commitment to service and his desire to work for the good of his community are a remarkable example to all.

Mr. Speaker, I hope you will join me in recognizing Brian and offering our most sincere thanks to Brian and his wife, Jenny, for their years of service.

TRIBUTE TO THE LESTER A. DRENK BEHAVIORAL HEALTH CENTER

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 17, 2005

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to the Lester A. Drenk Behavioral Health Center, which will celebrate its 50th an-

niversary in 2005. Founded by Judge Lester A. Drenk and the Board of Chosen Freeholders of Burlington County as the Burlington Guidance Center on December 31, 1954, this organization has helped adolescents with serious mental health issues for half a century.

Judge Drenk saw many of these adolescents in his courtroom and felt compelled to help them rather than remand them to the juvenile justice system. Beginning with 16 boys, in a building purchased by the Freeholders, the program has treated over 100,000 consumers since its inception.

Currently serving over 8,700 consumers each year in a variety of programs including the Screening and Crisis Intervention Program; Outpatient Services; Supportive Housing for the homeless mentally ill; Host Homes, a series of programs offering temporary shelter for children; Family Crisis Intervention Unit; School Based Youth Services; Family Matters; and many other services so needed by troubled youth, this vital program continues its mission of assisting those in need in our community.

I congratulate the Drenk Behavioral Health Center on this milestone in their history, and wish them many, many more years of success.

HONORING MICHAEL E. FOX, SR.

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 17, 2005

Ms. ZOE LOFGREN of California. Mr. Speaker, today I rise on my behalf and the behalf of Mr. MICHAEL HONDA to pay tribute to Mr. Michael E. Fox, Sr. and his lifelong dedication to community service and the public good.

Michael E. Fox, Sr. was born on September 23, 1936 in Chicago, Illinois. Mike graduated high school in 1954 from Campion Prep School in Prairie DuChien, Wisconsin. From there he earned his bachelor's degree from the University of Notre Dame in 1958 and continued on to do his post-graduate work at the Siebel Institute of Technology studying Brewing Science. That training foreshadowed Mike's eventual establishment of M.E. Fox & Company in 1965, a major distribution company in the Silicon Valley. Before Michael made his great entrepreneurial leap, he married Mary Ellen Croke. Mike and Mary Ellen have been married for almost forty-six years and have six children.

Mike is known throughout the Bay Area for his generosity and willingness to help those less fortunate. In countless instances, Mike has used his name to support worthy causes that simply needed the recognition of a respected member of society to open doors to a wider audience. Much of Mike's generosity is due to an upbringing which stressed charity and caring of those around him, regardless of whether he knew them well or not.

Mike's devotion to community is never more apparent than in his service to San Jose's East Side Union High School District. Whether it was providing flatbed trucks for floats, paying SAT testing fees for students who could not afford them, or spearheading the Animation Studio project, Mike used his professional

and personal network to assist staff and students achieve their goals.

Mike's interests are varied and far flung as evidenced by his many board memberships and chairmanships. His main interest centers around his beloved family, his Roman Catholic faith, educational matters at all levels, medical issues, and alcoholism prevention and abuse. From his hard work he built a successful family business, renown throughout the region.

If there is a task force or committee seeking to improve life in Santa Clara Valley, Mike Fox, Sr. is sure to be a valued member, using all his resources to bring about change. Mike served as Chair of United Way Silicon Valley's Board of Directors in 1997 and 1998. His guidance and expertise were instrumental in seeing United Way successfully through a period of financial difficulty and organizational restructuring. He served as Chairman of the Regional Healthcare Consortium where he worked with hospital administrators, colleges, and healthcare providers to protect the quality of healthcare in Santa Clara County. Mike participated in the Silicon Valley Blue Ribbon Task Force on Aviation Security.

Mike is a man who cares about others. I know this first hand, because in the 1970's my father, who was a beer truck driver, found himself out of a job. My dad was recording secretary of Teamster's local 888. He was a hard worker and never missed a day's work. He was renowned for his honesty. But he was having trouble finding employment for two reasons: first, the reluctance of some employers to hire a driver in his 50's and also, he believed, his history of union activism.

Mike Fox gave my dad a job and it made all the difference for our family. So while the public knows of Mike's philanthropy and generosity, I know him from the perspective of the families of those he employed. He was and is a fair man willing to give others a chance to succeed.

My parents have both passed away, but my brother and I will never forget Mike Fox's lasting impact on our lives as have been others in our community who were not so personally connected to the Fox family.

His generosity of spirit afforded opportunities to so very many in our community. We hold a debt of gratitude to Mike and an obligation to continue his work by following his personal philosophy which states, "You can change the world".

INTRODUCTION OF EXPEDITED RESCISSIONS ACT OF 2005—AN EFFECTIVE AND CONSTITUTIONAL TOOL TO COMBAT WASTEFUL SPENDING

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 17, 2005

Mr. UDALL of Colorado. Mr. Speaker, today I am introducing a bill to give the President and Congress new and effective—and, more importantly, constitutional—powers to weed out wasteful Government spending.

Over the last four years, there has been a dramatic change in the federal budget—and it has been a change for the worse. It has gone from annual surpluses to annual deficits, meaning we have gone from debt reduction to

increasing the "debt tax" that our children will have to pay.

In part, this was the result of recession. In part, it was caused by the need to increase spending for national defense, homeland security, and fighting terrorism.

And in large part it was the result of the excessive and unbalanced tax cuts that Congress passed in those same years.

This bill does not directly address those major causes of our budgetary problems. Responding to them will require long-term work on several fronts, including tax policy. But I think this bill can provide one useful tool that will help in the larger effort.

It deals with the increasing number of individual, earmarked items included in appropriations bills.

Some people are opposed to all earmarks. I am not one of them. I think Members of Congress know the needs of their communities, and that Congress as a whole can and should exercise its judgment on how tax dollars are to be spent. So, I have sought earmarks for various items that have benefited Colorado and I will continue to do so.

At the same time, I know—everyone knows—that sometimes a large appropriations bill includes some earmarked items that might not be approved if they were considered separately, because they would be seen as unnecessary, inappropriate, or excessive.

That's why presidents have long sought the kind of "line-item veto" that is available to the governors of several states—and why Congress passed a law attempting to give that authority to President Clinton.

The supporters of that legislation argued that making it possible to cut unnecessary individual items out of a spending bill could help make the government more prudent in the way we spend taxpayer money.

But while the diagnosis was right, the proposed remedy of a line-item veto went too far—further than the Constitution permits. That's why it was struck down in court.

My bill is a better prescription—one that will work and that will pass constitutional muster.

Under this legislation, whenever the President wants to cut a particular spending item in an appropriations bill he would be able to require Congress to reconsider and vote separately on rescinding that item, under tight deadlines and without amendment.

That would be an important change, because while current law authorizes the president to propose rescissions—that is, deletions—from appropriations that Congress has approved, there is no requirement that Congress take any action on those proposals.

My bill would change that by requiring Congress to consider and vote on whether the president's proposed rescissions should be approved.

So, like the line-item veto act, this bill would let the President throw a bright spotlight onto spending items and have Congress vote on them separately, up or down, without changes and in full public view.

The bill is entitled the "Expedited Rescissions Act of 2005." It is based on one introduced by my predecessor, Representative David Skaggs which in turn was patterned after, but stronger than, legislation passed by the House in 1993.

Unlike the bill that the House passed in 1993, my bill would not let the Appropriations Committee come up with its alternative way to

rescind the same amount of money that would be cut by the President's proposed rescission. Instead, it would require that the actual rescission proposed by the President—that one, without any amendment, and with no alternative to it—be voted on by the Congress.

Unlike the line-item veto, this bill is constitutionally sound. It does not attempt to give to the President the basic law-making authority that the Constitution vests solely in the Congress. Constitutionally, the line-item veto act could not be effective—it wasn't real. This bill would give the President authority that could be used effectively—it is real.

The President and the Congress alike need to have an effective, constitutionally valid alternative to the line-item veto that can be used to revoke parts of a spending bill that could not withstand a separate up-or-down vote. This bill will meet that need.

For the information of our colleagues, here is an outline of the bill's provisions:

OUTLINE OF EXPEDITED RESCISSIONS ACT OF 2005

The bill would amend the Budget Act by adding a new section providing for expedited consideration of certain proposed rescissions.

The new section would authorize the president to propose rescission of any budget authority provided in an appropriations Act through a special message that includes a draft bill to make that rescission. The new section would require the House's majority leader or minority leader to introduce that bill within two legislative days. If neither did so, any Member could then introduce the bill.

The House Appropriations Committee would be required to report a bill introduced pursuant to the new section of the Budget Act within seven days after introduction. The report could be made with or without recommendation regarding its passage. If the committee did not meet that deadline, it would be discharged and the bill would go to the House floor.

The House would debate and vote on the bill within 10 legislative days after the bill's introduction. Debate would be limited to no more than four hours and no amendment, motion to recommit, or motion to reconsider would be allowed. If passed by the House, the bill would go promptly to the Senate, which would have no more than 10 more days to consider and vote on it. Debate in the Senate would be limited to 10 hours and no amendment or motion to recommit would be allowed.

PERSONAL EXPLANATION

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 17, 2005

Mr. ANDREWS. Mr. Speaker, I regret that I missed two votes on February 15th, 2005. One to recognize the contributions of Jibreel Khazan (Ezell Blair, Jr.), David Richmond, Joseph McNeil, and Franklin McCain, the "Greensboro Four", to the civil rights movement and another to designate the facility of the United States Postal Service located at 321 Montgomery Road in Altamonte Springs, Florida, as the "Arthur Stacey Mastrapa Post Office Building." Had I been present I would have voted "yea" on both rollcall 32 and rollcall 33.